

***IDAHO STATE DEPARTMENT OF
AGRICULTURE
DAIRY MOU REPORT
APRIL 20, 2004***

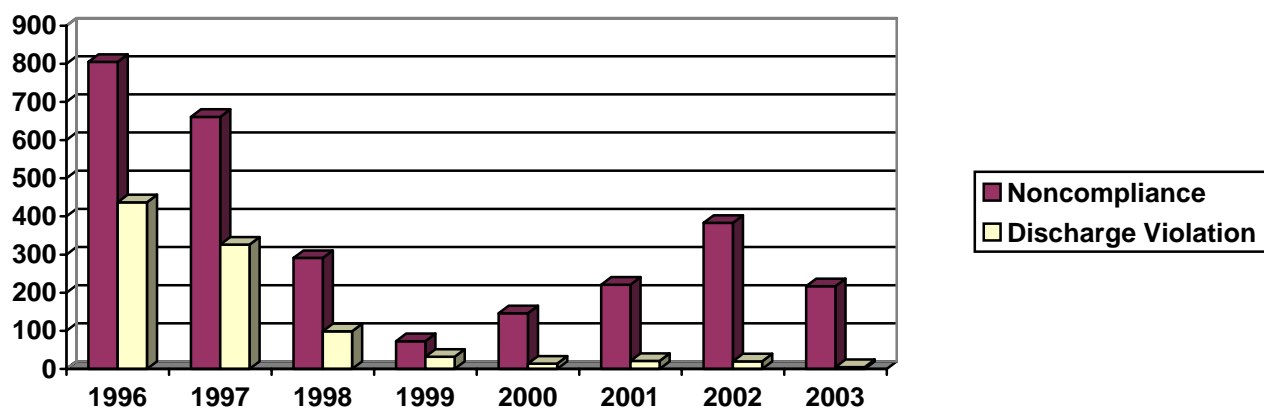
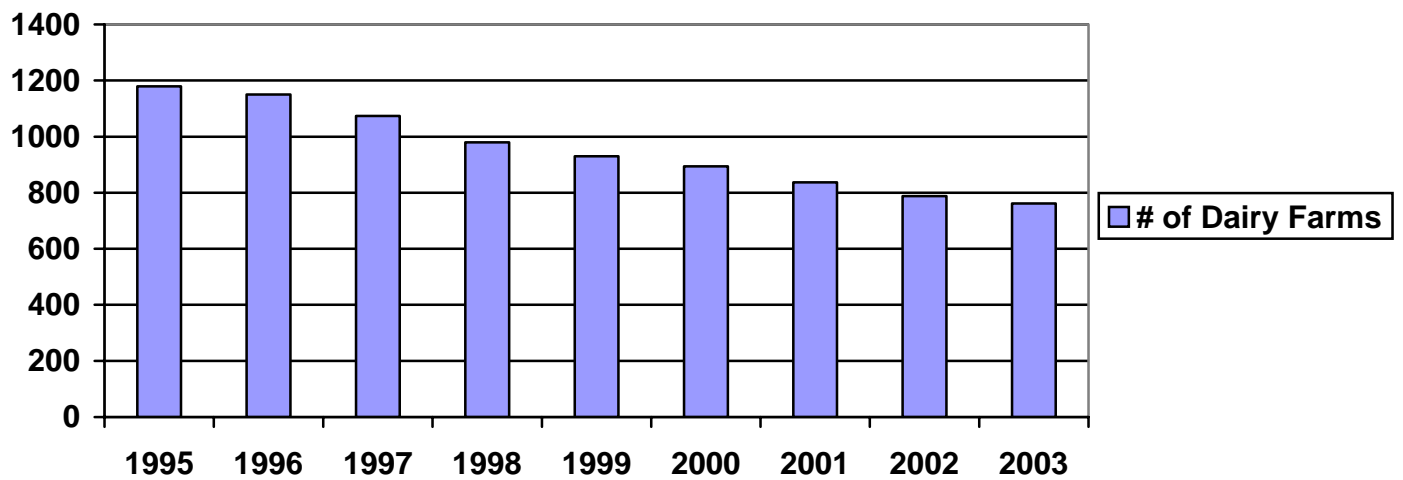
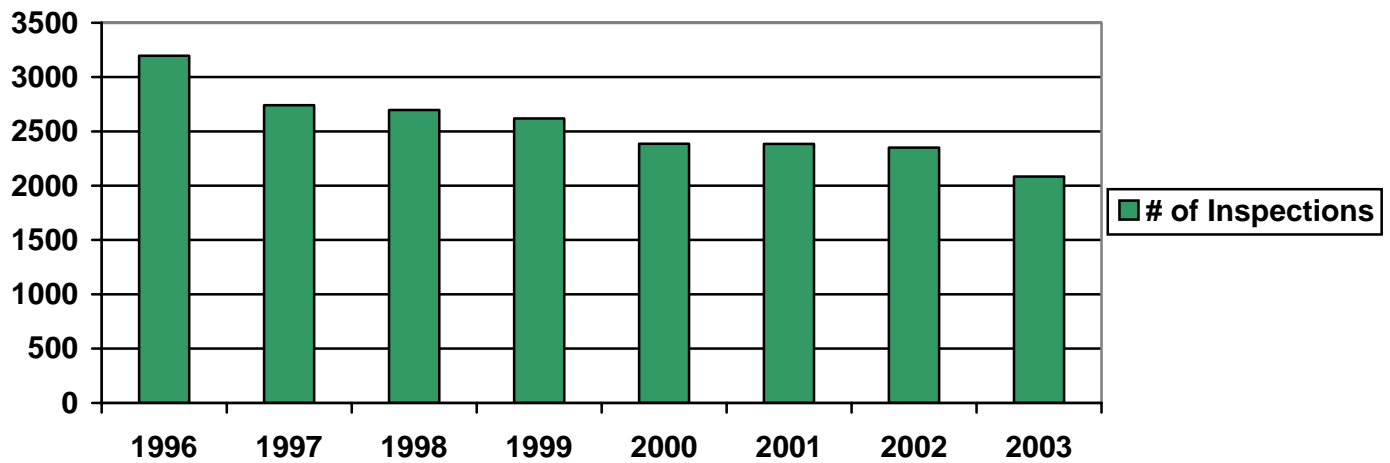
At the end of 2003, Idaho had 762 dairy farms - a net loss of 26 dairies from 2002. Average herd size increased from 495 mature animals per farm in 2002 to 540 in 2003. Total milk production was over 8.77 billion pounds up 7% from 2002. Average milk price was \$11.62 per hundred weight up from \$11.30 in 2002. Farm gate receipts were up to 1.1 billion, up from 922 million in 2002. The Department estimates the 2004 milk production will increase approximately 3% over 2003.

YEAR	NUMBER OF FARMS	POUNDS OF MILK (BILLIONS OF LBS.)	MATURE DAIRY COWS (IN THOUSANDS)	AVERAGE HERD SIZE
1991	1952	2.87	178	91
1992	1825	3.09	183	100
1993	1248	3.18	189	151
1994	1217	3.71	208	171
1995	1179	4.17	232	197
1996	1150	4.7	256	223
1997	1074	5.15	272	253
1998	980	5.7	301	307
1999	930	6.453	332	357
2000	894	7.189	354	395
2001	837	7.757	377	450
2002	788	8.155	390	495
2003	762	8.77	412	540
Statistics from ISDA & estimates from USDA Statistical Reporting				

WASTE INSPECTION DATA

During the eight-year history of the MOU, 1996 through 2003, ISDA conducted 20,458 dairy farm waste inspections. A total of 2,797 noncompliance violations and 954 discharge violations were issued.

	1996	1997	1998	1999	2000	2001	2002	2003
Non-compliance	805	661	291	73	146	221	383	217
Discharge	437	326	99	32	14	21	20	5
Total Inspections	3196	2742	2697	2619	2386	2385	2350	2083



During 2003 the number of noncompliance violations decreased to 217 violations and discharge violations (5) dropped significantly from 2002. In 2003, ISDA cited 5 dairy farms resulting in civil penalties of \$42,250.00 for violations of the Rules Governing Dairy Waste. Penalties for dairy waste violations are generally resolved through a settlement meeting process. The process is summarized through a Stipulation, Agreement and Consent Order signed by the violator and the ISDA director.

This process involves the violator, violator's attorney, ISDA investigators, the Dairy Bureau Chief, and a Deputy Attorney General. If an agreement can not be reached by the parties, a formal hearing is held. When assessing a dairy waste penalty, ISDA uses a matrix (appendix C) as a guide in determining the appropriate penalty for the violation.

There has been and continues to be some confusion within the dairy industry and perhaps to a greater degree the public, as to what constitutes a violation of the Rules Governing Dairy Waste. The primary concerns include:

- a. Solids application during winter months or on frozen snow covered ground.
- b. Land application of effluent under provisions outlined in NMP's.
- c. Incorporation requirements of livestock waste.
- d. Land application of livestock waste in proximity to wells, laterals, residences.
- e. Flood irrigation requirements utilizing effluent.
- f. Record keeping requirements for nutrient management
- g. Set back requirements from County & ISDA.
- h. What's liquid, solid, or sludge? Is sludge land applicable in winter?
- i. What is excessive manure on the road?
- j. Are soil sample laboratory results certifiable?

NUTRIENT MANAGEMENT

In January 2006 EPA will require CAFO's (700 mature dairy animals) to have Nutrient Management Plan's NMP's. Since July 1, 2001, all Idaho dairy farms licensed to sell milk for human consumption, were required to have NMP's. Developing or possessing an NMP is the easy part. Understanding, implementing and modifying (when necessary) the plans have been a problem:

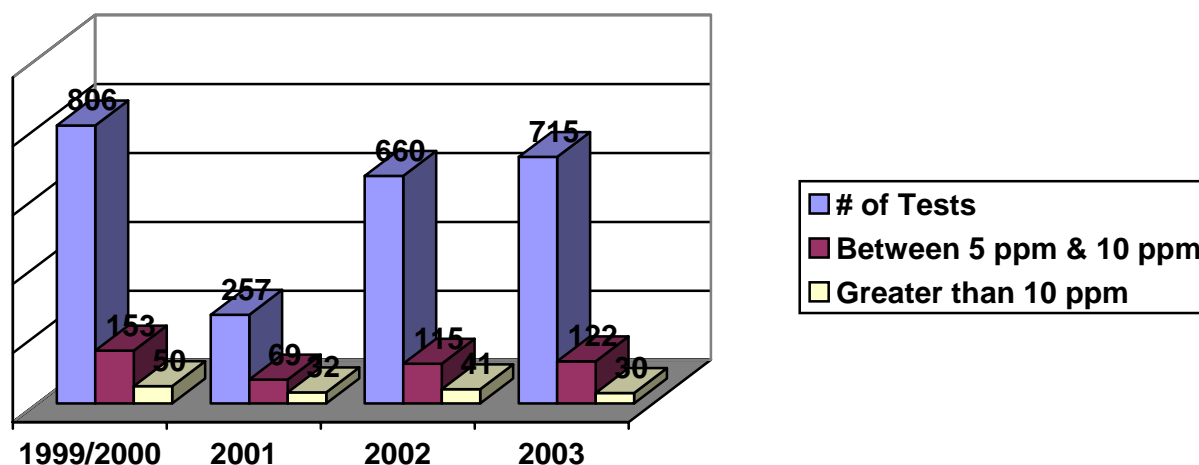
- a. Approximately 250 rewrites of NMP's originally written under the "Old One Plan" have been almost completed utilizing the new and improved One Plan.
- b. Keeping plans current with changes made in operations is the producer's responsibility. In many cases, industry has been slow in responding to this requirement.
- c. Record keeping continues to be sub-par.
- d. Modifications to traditional land applications due to phosphorous standards have been slow.

Perhaps the biggest NMP obstacle to overcome is the issue of available acres to apply effluent at the phosphorous threshold, especially on larger dairies. Insufficient separation of nutrients from the liquid waste containment systems and the utilization of compost for bedding will cause many facilities significant increased costs to their manure management program.

WATER QUALITY TESTING

In July 1999, ISDA initiated a program to test dairy farm water supplies for nitrate. All dairy farms except those facilities on municipal water systems were tested. All facilities that tested 5 ppm or higher were retested utilizing nitrogen isotope testing protocols.

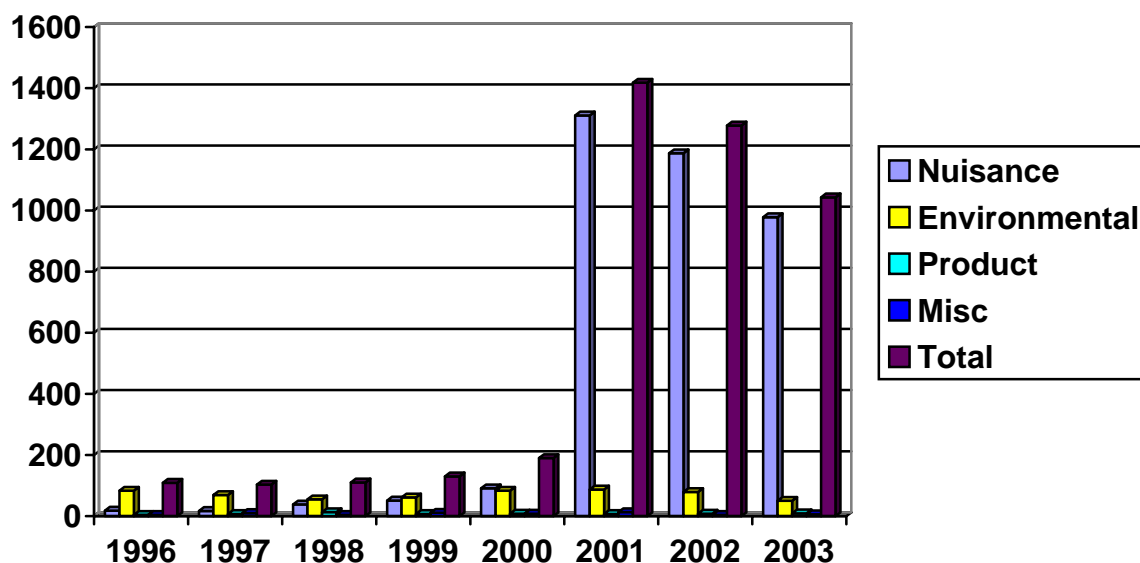
In 2002 the Dairy Bureau conducted 660 nitrate well water tests on Idaho dairies. 715 tests were conducted in 2003. Data from these tests are shared with ISDA water quality staff and other agencies. The Bureau tested all non-municipal dairy wells in 2003. The Bureau will continue to annually nitrate and coliform test dairy wells. Further information relating to ground water testing is available on our website at www.agri.state.id.us /Divisions programs / Ag Resources / Water Quality Program /Reports.



ISDA DAIRY RELATED COMPLAINTS

During 2003 the Dairy Bureau received 1,043 complaints:

- 978 nuisance
- 50 environmental
- 9 product
- 6 miscellaneous



ORIGINAL PIONEERS

In 2003, two original pioneers in the development implementation and success of the MOU parted the scene.

Lynn McKee, EPA, retired after long years of dedicated service and Dr. Bob Hillman left ISDA for the greener pastures in Texas to head up the Texas Animal Health Program.

Their support for the Dairy MOU was huge. Without their commitment and drive, the Initiative would not have gotten off the ground nor enjoyed the proven track record. The public and the dairy industry are indebted to their services.

SUMMARY

GOT TRUST?

There are 16 employees at ISDA whose primary responsibilities are directly related to the Departments' dairy program. Their combined years of service with ISDA is 132 years. The Dairy Bureau was operating long before any of the staff were born. The Bureau was historically responsible for the manufacture grade milk program. The grade A program was administered by the Department of Health and Welfare and the individual Health Districts.

In 1991 extremely contested legislation was enacted that transferred inspection authority from Health & Welfare to ISDA. Since that time ISDA has been the state agency responsible for the enforcement of state and federal requirements for the production of milk and dairy products in Idaho. Our program receives continued audits by FDA and USDA to insure our program is up to standards. Last year the Dairy Bureau conducted 4,085 inspections relating to the sanitation production of milk and dairy products. 990 violations were issued. Public confidence regarding ISDA's regulatory oversight of the production and processing of milk and dairy products continues.

In 1995, a concept was introduced to transfer waste management regulatory responsibilities relating to surface and ground issues to ISDA. In spite of its detractors, including many dairymen, public officials, agencies, and citizens; the program has made tremendous environmental improvements. EPA and DEQ evaluations have been constructive. Several modifications to the program have been made, new laws and rules have been enacted and we and the dairy industry continue to improve. The MOU works. Those who choose to rebuke the program are either uninformed or have an agenda.

ISDA recognizes that part of the "trust" factor has been diminished due to the slow timeframe of getting a reasonable solution to the odor problem. Approximately 93% of all ISDA odor complaints involve <10 dairy farms. The dairy industry is making huge investments to retrofit facilities, introduce new technologies, and instituting managerial modifications to minimize odors. A new odor standard will be in place in 2004. This standard will assist the regulated and ISDA in controlling excessive odors. How well the livestock industry responds to the new standard will be a major factor to continued growth.

Like the success of the sanitary production of milk and dairy products program and the Idaho Dairy Pollution Prevention Initiative, the ISDA odor program will soon be the success story the state needs and deserves.

Respectfully Submitted,

Marv Patten, Bureau Chief